

111TH CONGRESS
1ST SESSION

H. R. 2069

To amend the Internal Revenue Code of 1986 to provide a credit for the purchase of new motor vehicles.

IN THE HOUSE OF REPRESENTATIVES

APRIL 23, 2009

Mr. HOEKSTRA introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide a credit for the purchase of new motor vehicles.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Credit for New Cars
5 Act of 2009”.

6 **SEC. 2. CREDIT FOR NEW MOTOR VEHICLE PURCHASES.**

7 (a) IN GENERAL.—Subpart B of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 (relating to other credits) is amended by adding at
10 the end the following new section:

1 **“SEC. 30E. NEW MOTOR VEHICLES.**

2 “(a) ALLOWANCE OF CREDIT.—There shall be al-
3 lowed as a credit against the tax imposed by this chapter
4 for the taxable year an amount equal to \$3,000 with re-
5 spect to each qualified motor vehicle placed in service by
6 the taxpayer during the taxable year.

7 “(b) LIMITATION ON VALUE OF VEHICLES TAKEN
8 INTO ACCOUNT.—No credit shall be allowed under sub-
9 section (a) with respect to any vehicle the fair market
10 value of which equals or exceeds \$40,000 (determined im-
11 mediately before such vehicle is placed in service by the
12 taxpayer).

13 “(c) LIMITATIONS WITH RESPECT TO BUSINESS
14 CREDIT.—

15 “(1) 50 PERCENT OF CREDIT ALLOWED.—50
16 percent of so much of the credit which would be al-
17 lowed under subsection (a) for any taxable year (de-
18 termined without regard to this subsection) that is
19 attributable to qualified motor vehicles of a character
20 subject to an allowance for depreciation shall be
21 treated as a credit listed in section 38(b) for such
22 taxable year (and not allowed under subsection (a)).

23 “(2) NOT MORE THAN 2 VEHICLES TAKEN INTO
24 ACCOUNT.—Not more than 2 qualified motor vehi-
25 cles may be taken into account under paragraph (1).

1 “(3) AGGREGATION RULE.—All persons treated
2 as a single employer under subsection (a) or (b) of
3 section 52, or subsection (m) or (o) of section 414,
4 shall be treated as one person for purposes of the
5 credit determined under this subsection.

6 “(d) PERSONAL CREDIT.—

7 “(1) IN GENERAL.—For purposes of this title,
8 the credit allowed under subsection (a) for any tax-
9 able year (determined without regard to any quali-
10 fied motor vehicle of a character subject to an allow-
11 ance for depreciation) shall be treated as a credit al-
12 lowable under subpart A for such taxable year.

13 “(2) LIMITATION BASED ON AMOUNT OF
14 TAX.—In the case of a taxable year to which section
15 26(a)(2) does not apply, the credit allowed under
16 subsection (a) for any taxable year (determined
17 without regard to any qualified motor vehicle of a
18 character subject to an allowance for depreciation)
19 shall not exceed the excess of—

20 “(A) the sum of the regular tax liability
21 (as defined in section 26(b)) plus the tax im-
22 posed by section 55, over

23 “(B) the sum of the credits allowable
24 under subpart A (other than this section and

1 sections 23, 25D, 30, and 30D) and section 27
2 for the taxable year.

3 “(e) QUALIFIED MOTOR VEHICLE.—For purposes of
4 this section—

5 “(1) IN GENERAL.—The term ‘qualified motor
6 vehicle’ means a motor vehicle—

7 “(A) the original use of which commences
8 with the taxpayer,

9 “(B) which is acquired for use or lease by
10 the taxpayer and not for resale, and

11 “(C) which is made by a manufacturer,

12 “(D) the final assembly of which is in the
13 United States,

14 “(E) which is treated as a motor vehicle
15 for purposes of title II of the Clean Air Act,
16 and

17 “(F) which has a gross vehicle weight rat-
18 ing of not more than 8,500 pounds.

19 “(2) MOTOR VEHICLE; MANUFACTURER.—The
20 terms ‘motor vehicle’ and ‘manufacturer’ have the
21 meaning given such terms in section 30D(d).

22 “(f) SPECIAL RULES.—For purposes of this sec-
23 tion—

24 “(1) REDUCTION IN BASIS.—For purposes of
25 this subtitle, the basis of any property for which a

1 credit is allowable under subsection (a) shall be re-
2 duced by the amount of such credit so allowed (de-
3 termined without regard to subsections (c) and (d)).

4 “(2) NO DOUBLE BENEFIT.—The amount of
5 any deduction or other credit allowable under this
6 chapter for a qualified motor vehicle shall be reduced
7 by the amount of credit allowed under subsection (a)
8 for such vehicle (determined without regard to sub-
9 sections (c) and (d)).

10 “(3) PROPERTY USED BY TAX-EXEMPT ENTI-
11 TY.—In the case of a vehicle the use of which is de-
12 scribed in paragraph (3) or (4) of section 50(b) and
13 which is not subject to a lease, the person who sold
14 such vehicle to the person or entity using such vehi-
15 cle shall be treated as the taxpayer that placed such
16 vehicle in service, but only if such person clearly dis-
17 closes to such person or entity in a document the
18 amount of any credit allowable under subsection (a)
19 with respect to such vehicle (determined without re-
20 gard to subsections (c) and (d)). Property to which
21 this paragraph applies shall be treated for purposes
22 of subsections (c) and (d) as property of a character
23 subject to an allowance for depreciation.

24 “(4) PROPERTY USED OUTSIDE UNITED STATES
25 NOT QUALIFIED.—No credit shall be allowable under

1 subsection (a) with respect to any property referred
2 to in section 50(b)(1).

3 “(5) RECAPTURE.—The Secretary shall, by reg-
4 ulations, provide for recapturing the benefit of any
5 credit allowable under subsection (a) with respect to
6 any property which ceases to be property eligible for
7 such credit.

8 “(6) ELECTION TO NOT TAKE CREDIT.—No
9 credit shall be allowed under subsection (a) for any
10 vehicle if the taxpayer elects not to have this section
11 apply to such vehicle.

12 “(7) INTERACTION WITH AIR QUALITY AND
13 MOTOR VEHICLE SAFETY STANDARDS.—Unless oth-
14 erwise provided in this section, a motor vehicle shall
15 not be considered eligible for a credit under this sec-
16 tion unless such vehicle is in compliance with—

17 “(A) the applicable provisions of the Clean
18 Air Act for the applicable make and model year
19 of the vehicle (or applicable air quality provi-
20 sions of State law in the case of a State which
21 has adopted such provision under a waiver
22 under section 209(b) of the Clean Air Act), and

23 “(B) the motor vehicle safety provisions of
24 sections 30101 through 30169 of title 49,
25 United States Code.

1 “(g) TERMINATION.—No credit shall be allowed
2 under this section with respect to any vehicle placed in
3 service after December 31, 2009.”.

4 (b) CREDIT MADE PART OF GENERAL BUSINESS
5 CREDIT.—Section 38(b) of such Code is amended by strik-
6 ing “plus” at the end of paragraph (34), by striking the
7 period at the end of paragraph (35) and inserting “, plus”,
8 and by adding at the end the following new paragraph:

9 “(36) the portion of the new motor vehicle cred-
10 it to which section 30E(c) applies.”.

11 (c) CONFORMING AMENDMENTS.—

12 (1)(A) Section 24(b)(3)(B) of such Code is
13 amended by striking “and 30D” and inserting
14 “30D, and 30E”.

15 (B) Section 25(e)(1)(C)(ii) of such Code is
16 amended by inserting “30E,” after “30D,”.

17 (C) Section 25B(g)(2) of such Code is amended
18 by striking “and 30D” and inserting “, 30D, and
19 30E”.

20 (D) Section 26(a)(1) of such Code is amended
21 by striking “and 30D” and inserting “30D, and
22 30E”.

23 (E) Section 904(i) of such Code is amended by
24 striking “and 30D” and inserting “30D, and 30E”.

1 (F) Section 1400C(d)(2) of such Code is
 2 amended by striking “and 30D” and inserting
 3 “30D, and 30E”.

4 (2) Section 1016(a) of such Code is amended
 5 by striking “and” at the end of paragraph (36), by
 6 striking the period at the end of paragraph (37) and
 7 inserting “, and”, and by adding at the end the fol-
 8 lowing new paragraph:

9 “(38) to the extent provided in section
 10 30E(f)(1).”.

11 (3) Section 6501(m) of such Code is amended
 12 by inserting “30E(f)(6),” after “30D(e)(4),”.

13 (4) The table of sections for subpart B of part
 14 IV of subchapter A of chapter 1 of such Code is
 15 amended by adding at the end the following new
 16 item:

“Sec. 30E. New motor vehicles.”.

17 (d) EFFECTIVE DATE.—The amendments made by
 18 this section shall apply to vehicles acquired after Decem-
 19 ber 31, 2008, in taxable years ending after such date.

20 (e) APPLICATION OF EGTRRA SUNSET.—The
 21 amendment made by subsection (c)(1)(A) shall be subject
 22 to title IX of the Economic Growth and Tax Relief Rec-
 23 onciliation Act of 2001 in the same manner as the provi-
 24 sion of such Act to which such amendment relates.